



Export Finance Systems, LLC

November 30, 1995

Donald E. Frankenfield
President
Philadelphia International Investment Corp.
PNB Building
Broad & Chestnut Streets, Suite 2314
Philadelphia, Pa. 19103

Dear Don,

Bob Martin and I enjoyed the opportunity to see you again during your visit to our offices Monday afternoon.

I am enclosing three copies of the revised and updated Investment Memorandum on Export Finance Systems, LLC (EFS). Two of the copies are for Lisa Davis and Steve Nichols. As discussed with you, the revised Investment Memorandum reflects the company's name change, and emphasizes more its role as a full service systems provider to participating financial institutions and small and medium-size exporters.

After discussions with you and your associates in Philadelphia last June, and subsequent meetings with other financial institutions who expressed similar views, we felt there is a much larger market for EFS as a full service systems provider to participating financial institutions who would be willing to finance export receivables of small and medium-size exporters based on the integrated documentary systems and controls implemented by EFS.

Our financing role would be limited to taking at least a 25% participation in the export loans, and having the capability to provide all the financing when the referring bank is not interested in financing export receivables. Our financial projections reflect this reduced direct financing role of EFS.

Subsequent to our meeting with you and your associates last June, we decided to develop the entire operational flow process, and design the fully integrated windows based computer software program. As demonstrated to you, we want to make the program simple and easy to use for the exporter, where he only has to enter order and shipment information in pre-established forms on his computer screen and download this information to us. EFS will then handle all the details concerning verification of the information provided against copies of actual shipping documents, storing imaged

documents, assuring compliance with terms and conditions of the export credit insurance policies, tracking payment of export receivables etc.

In addition to using EFS's system software to input basic order and shipment information, the exporter can also use the system to check the status of receivables financing, exporter credit and buyer limits, whether a new order is eligible for coverage etc., but cannot change any of the policy parameters or other information inputted into the system and previously verified by EFS. As mentioned to you we are close to completing a demonstration model.

To give you some idea of the demand for export financing in the California market, I am enclosing a report entitled "Business Assistance Needs of Small and Medium Sized California Businesses", dated August 1995 prepared by the International Trade Research Center, Monterrey Institute of International Studies.

Please refer to Section IV.- Conclusions, pg. 28, which reads as follows:

"For example, 22 percent of the sampled firms cited financing as a major problem. The resulting implication is that more than 7,200 California firms are currently experiencing financing difficulties associated with doing international business. If this problem was reduced in scope, the possible benefits derived, not only for California, but by the nation as a whole, would be substantial".

As you pointed out, now that Corestates Bank has acquired Meridian, the opportunity for us to work together is even more timely now than when we previously spoke.

I look forward to hearing whether you and your associates are interested in continuing our discussions concerning an investment in EFS along the lines previously discussed.

Sincerely,



John G. Olsen